



P.O. BOX 248, 1186 LOWER RIVER ROAD, NW  
CHARLESTON, TN 37310-0248

VIA: E-MAIL and US MAIL

June 10, 2007

Mr. Hector Hernandez  
California Regional Water Quality Control Board  
Central Coast Region  
895 Aerovista Place, Suite 101  
San Luis Obispo, California 93401

**Subject: Progress Report #58  
May 1 through 31, 2007  
Morgan Hill, California**

Dear Mr. Hernandez:

Pursuant to the November 18, 2002, California Regional Water Quality Control Board, Central Coast Region (Water Board) letter, this report summarizes Olin's progress related to the Cleanup and Abatement Orders (CAOs) and the Monitoring and Reporting Program (MPR) associated with the Olin/Standard Fusee site located at 425 Tennant Avenue, Morgan Hill, California. Progress Report #58 is for May 1 through 31, 2007.

#### **CAO R3-2004-0101 – Replacement Water and Ion Exchange System Installation**

##### Replacement Water:

Olin continues to provide bottled drinking water to well owners and tenants in accordance with the Water Board CAO, as revised by the State Water Resources Control Board in its Order No. WQO 2005-0007 (State Board Order). Sampling of replacement water wells is proceeding and is further described under MRP 2001-161. In accordance with the State Board Order, a phased reduction of bottled water continues pursuant to State Board Order. On May 4, 2007, the Water Board approved Olin's Phase 8 termination of replacement water and revised monitoring frequency request. On May 29, 2007, the Water Board also approved Olin's request to revise the monitoring frequency at 6 domestic wells pursuant to State Board Order.

##### Ion Exchange (IX) System Installation:

Through May 2007, Olin has installed ion exchange (IX) systems on 16 wells. The IX systems continue to operate as designed. Installation of an IX system at one well remains on hold pending resolution of pre-existing bacterial issues and an access agreement is being sought at another well. Data evaluation continues for well candidates that have had greater than 6 ppb perchlorate detection during the past 4 quarters. Bottled water continues to be provided pending DHS response to the Demonstration Protocol results for the representative IX systems.

#### **CAO R3-2005-0014 – Llagas Subbasin Characterization and Remediation**

Item No. 8 Attachment No. 1  
July 6, 2007 Meeting  
Perchlorate Cases

Llagas Subbasin Monitoring Plan:

Full Water Board approval of the Monitoring Plan remains pending.

Llagas Subbasin Characterization Report

Area I deep aquifer characterization efforts are ongoing. On May 9, 2007, the Water Board provided comments on Olin's Llagas Subbasin Characterization Report describing characterization activities performed during 2006.

Llagas Subbasin Plume Migration Assessment Control Report

On March 29, 2007, the Water Board conditionally approved the Area 1 Feasibility Study and Area 1 Cleanup Work Plan. On April 30, 2007, Olin submitted the Area 1 Extraction Well Installation Work Plan to the Water Board. Water Board acceptance of the Area I Work Plan is pending.

Llagas Subbasin Cleanup Level Report

Water Board acceptance of the Llagas Basin Cleanup Level Report remains pending.

Llagas Subbasin Cleanup Feasibility Study Report

On March 29, 2007, the Water Board conditionally approved the Revised Cleanup Feasibility Study Report. On May 8, 2007, the Water Board approved Olin's request to revise the Llagas Subbasin Cleanup Work Plan due date to June 15, 2007.

**MRP 2001-161 – Onsite and Offsite Well Sampling Activities**

Olin continues performing monitoring pursuant to our understanding that the Water Board's intent was consolidation of MRP 2003-0168 and MRP 2001-161 (August 31, 2005 revision). The First Quarter 2007 Groundwater Monitoring Report, including on-site performance monitoring, was submitted to the Water Board on April, 30, 2007.

Onsite Well Sampling Activities:

During May 2007, water-level measurement were collected from onsite monitoring wells and BarCad® wells. The results will be included in the Second Quarter 2007 Groundwater Monitoring Report.

Offsite Well Sampling:

Offsite groundwater sampling continued during the Second Quarter 2007. The results will be included in the Second Quarter 2007 Groundwater Monitoring Report.

Groundwater Treatment System Operations:

Groundwater treatment system (GWTS) operated continuously during May 2007, extracting and removing perchlorate from approximately 6.2 million gallons of groundwater. To date, perchlorate has been removed from over 178 million gallons of water. GWTS operations data will be presented in the Second Quarter 2007 Groundwater Monitoring Report.

On-Site Recharge System Operations:

Recharge system operations continued in May 2007 with all injection wells active. In May, approximately 6.2 million gallons of GWTS effluent were injected to the subsurface via the three injection wells. Monitoring data collected for the On-Site Recharge system will be presented in the Second Quarter 2007 Groundwater Monitoring Report.

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Soil In Situ Bioremediation (ISB) System Operations:

In October 2006, the Water Board concurred that the remedial objectives for the ISB had been achieved; however, Olin's request to update MRP No. 2001-161, by eliminating the soil remediation monitoring requirements, remains pending.

**Upcoming Reports**

**Due Date**

- Monitoring and Reporting Program 2001-161:
  - 2<sup>nd</sup> Quarter 2007 Groundwater Monitoring Report 7/30/07
  - 3<sup>rd</sup> Quarter 2007 Groundwater Monitoring Report 10/30/07
  - 4<sup>th</sup> Quarter 2007 Groundwater Monitoring Report 1/30/08
- Monthly Progress Reports 10<sup>th</sup> of each month
- Llagas Subbasin Characterization and Remediation CAO:
  - Llagas Subbasin Cleanup Work Plan 6/15/07

Olin will continue providing monthly progress reports of our activities related to the CAOs and MRP. If you have any questions, please call me.

Sincerely,  
OLIN CORPORATION



Richard W. McClure, P.G., REM  
Environmental Remediation Group

cc (via e-mail):

Mr. Jim Ashcraft, City of Morgan Hill  
Ms. Leslie Griffin, P.E., GeoSyntec  
Ms. Sylvia Hamilton, PCAG Chair  
Mr. Thomas Mohr, Santa Clara Valley Water District  
Mr. Harvey Packard, Water Board – Central Coast Region  
Mr. Dave Share, Olin  
Mr. Donald Smallbeck, MACTEC